

**Chapter 8:
Recruitment, Selection
and Retention**

THIRD EDITION

HUMAN RESOURCES IN HEALTHCARE

Managing for Success

Part One | Recruitment and Placement



First Function: Recruitment, Selection & Retention



Job Analysis

Recruitment , Selection and Retention

Learning Outcomes

After completing this chapter, you should be able to:

- Understand the major steps and decisions involved in designing and implementing a recruitment effort.
- Describe the relationship of job requirements to other HRM functions.
- Design a recruitment and selection effort for a particular job.
- Identify the most important factors related to turnover and retention and strategies that can improve retention.

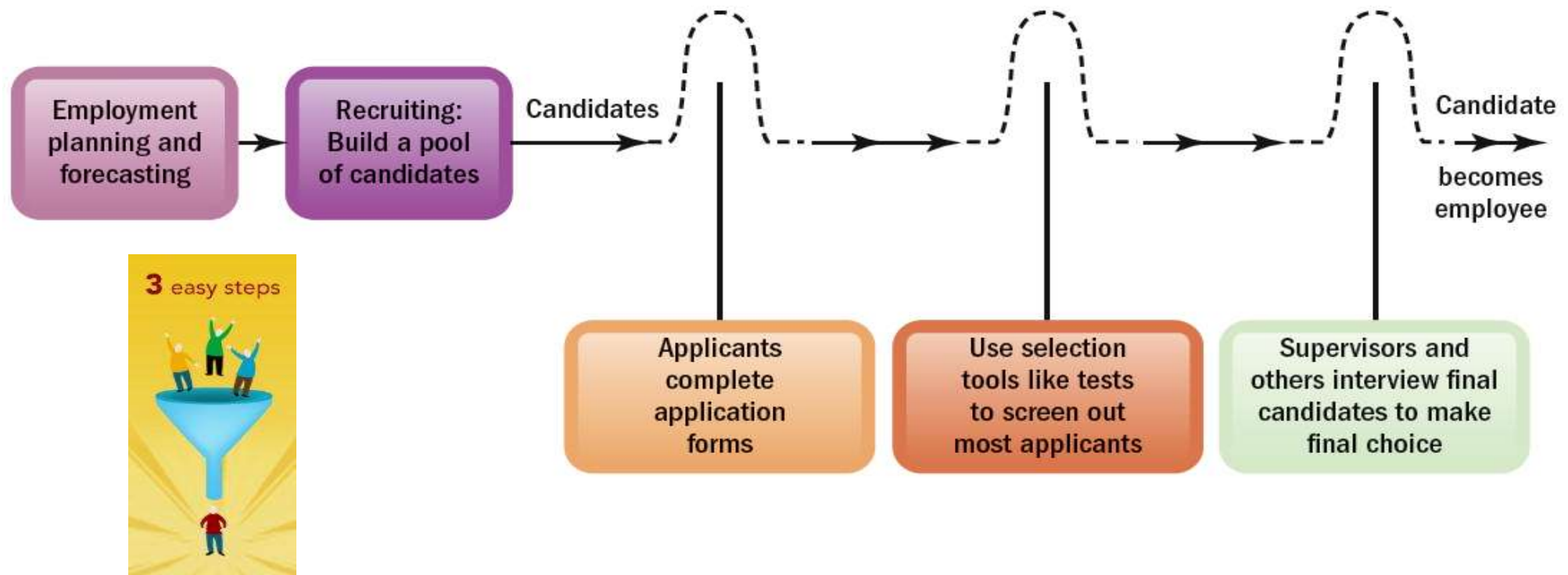


Introduction

- *Effective recruitment and selection are key to employee retention*
- *An organization can be more selective when a relatively large supply of qualified applicants is available*
- *Developing a recruitment plan for a particular position depends on the existence of an accurate, current, and comprehensive job description.*



Steps in Recruitment and Selection Process



The recruitment and selection process is a series of hurdles aimed at selecting the best candidate for the job.



Recruitment

- The goal of recruitment is to generate a pool of qualified job applicants.
- Specifically, recruitment refers to the range of processes an organization uses to attract qualified individuals on a timely basis and in sufficient numbers and to encourage them to apply for jobs in the organization.



Recruitment

- When we think of recruitment strategies, our attention often focuses on a set of key questions:
 - **Internal** recruitment (promote from within), versus **external**.
 - **Full-time** employees, versus **outsourcing, flexible staffing, and hiring contingent workers**
 - **Competent applicants** (right technical qualifications), versus applicants **who best fit the organization culture** but may require additional training to improve their KSA



Factors that Influence Job Choice

- *What do potential employees look for in a job?*
 - Applicants consider their own competitiveness in the job market and whether alternative positions that provide better opportunities are available.
 - Attitudes and behaviors of the recruiter, or whoever is their first contact with the organization.
 - Is this the kind of place I can see myself spending 40 or more hours a week (work environment)?
 - Opportunities for career mobility and promotion



Fortune's 100 Best Companies to Work For?

- (Mayo Clinic 2007): “There are no inferior jobs in any organization. No matter what the assigned task, if it is done well and with dignity, it contributes to the function of everything around it and should be valued accordingly by all”
- Hopkins Hospital (2007): “Though your choices are vast in today’s nursing market, we challenge you to discover for yourself what is different about a nursing career with our world-renowned, Magnet-recognized team and America’s #1 hospital”



Factors that Influence Job Choice

- **Individual characteristics:** are personal considerations that influence a person's job decision.
- **Vacancy characteristics:** are those associated with the job, such as compensation, challenge and responsibility, advancement opportunities, job security, geographic location, and employee benefits



Factors that Influence Job Choice

- Table 8.1 illustrates how different job applicants assess the relative importance of job features.
 - The first column briefly describes each applicant.
 - The second column states each applicant's minimum standards for job acceptance along 4 dimensions: pay, benefits, advancement opportunities, & travel requirements.
 - The third column showcases each of the three jobs according to the four non-compensatory standards



TABLE 8.1

Three
Hypothetical
Job Applicants

<i>Job Applicant</i>	<i>Minimum Standards for Job Acceptance</i>	<i>Job Description</i>
Person 1: 23 years old, single	Pay: at least \$40,000 Benefits: Health insurance coverage of at least 25 percent Advancement opportunities: Very important Travel requirements: Unimportant	Job: Insurance company provider relations coordinator Pay: \$45,000 Benefits: Health insurance covered at 50 percent Advancement opportunities: Recruitment done internally and externally Travel requirements: Average 25 percent travel
Person 2: Sole wage earner for large family	Pay: at least \$50,000 Benefits: Health insurance coverage of at least 50 percent Advancement opportunities: Very important Travel requirements: Cannot travel more than 25 percent of the time	Job: Healthcare consultant Pay: \$55,000 Benefits: Health insurance covered at 50 percent Advancement opportunities: Strong history of promotions within one year Travel requirements: Average 50 percent travel
Person 3: Spouse of high-wage earner	Pay: at least \$35,000 Benefits: Unimportant Advancement opportunities: Unimportant Travel requirements: Cannot travel more than one week per year	Job: Research assistant in academic medical center Pay: \$37,000 Benefits: Health insurance covered at 50 percent Advancement opportunities: Generally hires externally for higher-level positions Travel requirements: Little or none



Factors that Influence Job Choice

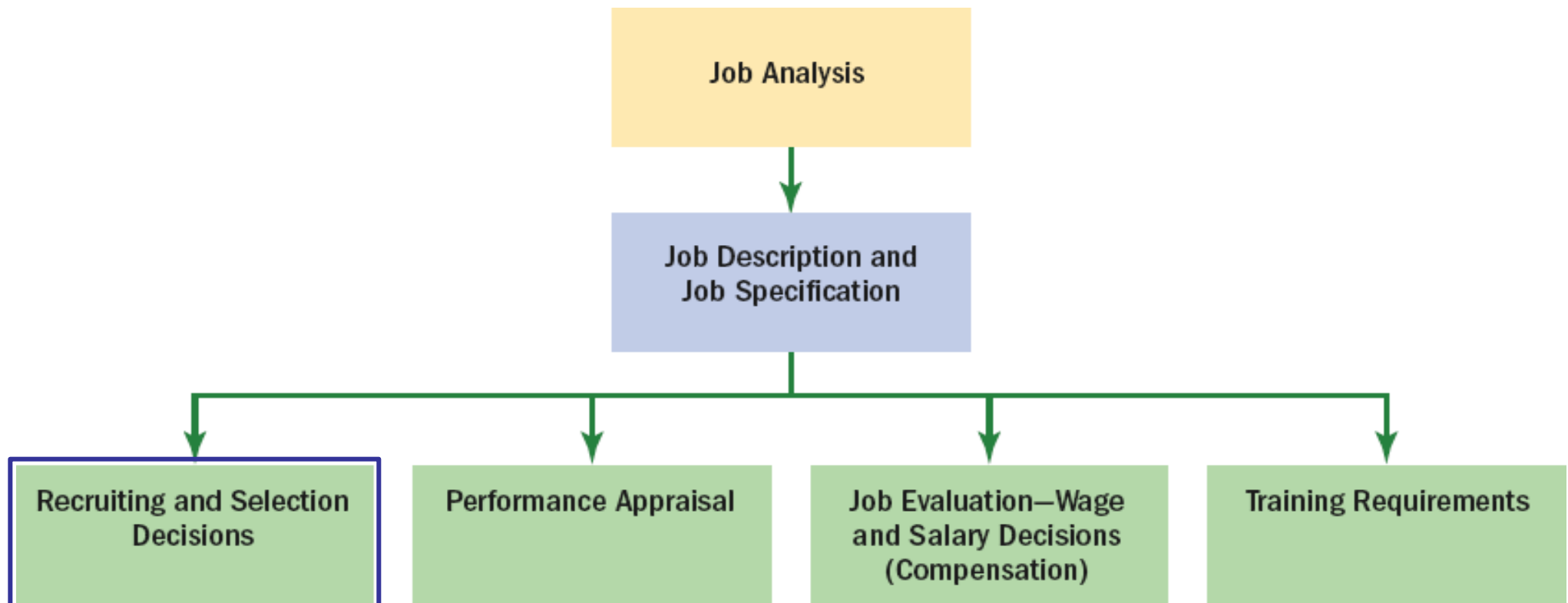
- These four dimensions are sometimes categorized as non-compensatory standards -that is, no other element of the job can compensate if these standards are not met, or, more simply, these are “Deal killers”
 - Person 3, who does not like to travel, will be unlikely to accept a job that requires substantial travel, regardless of anything else.
 - Person 2, health insurance coverage is an absolute requirement for job acceptance.



The Recruitment Process

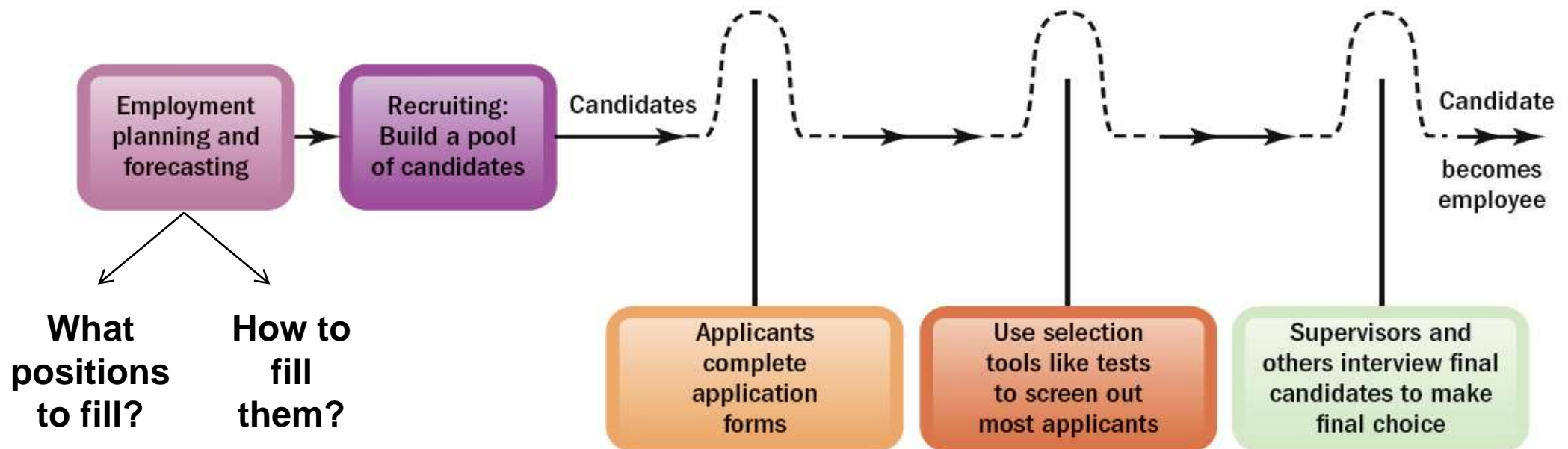
- An **HR plan** includes specific information about the organization's strategies, the types of individuals required to achieve organizational goals, recruitment and hiring approaches, and a clear statement of how HR practices support organizational goals.
- 1. The recruitment process ideally begins with a **job analysis** and **manpower planning**.
- 2. Examination of the external environment.
- 3. Review past recruitment efforts (HRIS).
- 4. Assess the effectiveness and efficiency of the recruitment process

1A. The recruitment process ideally begins with a **Job Analysis**



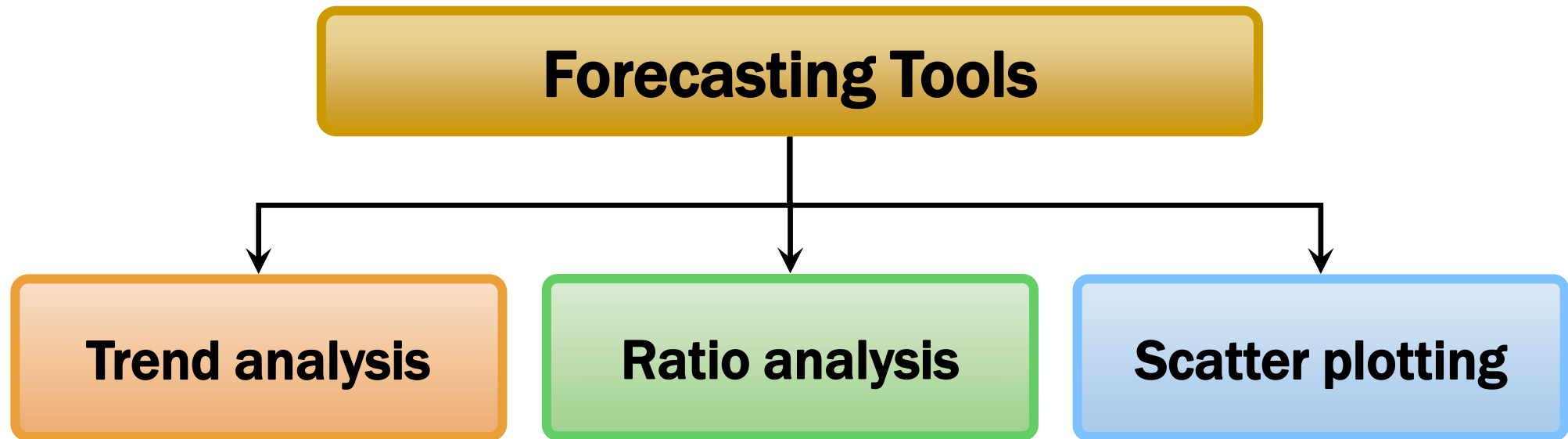


1B. The recruitment process ideally begins with **Manpower Planning** (what positions to fill?)





Manpower Planning





The Recruitment Process

2. Examination of the external environment (How to fill them?):

- The supply of potential job applicants (unemployment rates)
- Relative competitiveness for the position
- Compensation & benefits given to individuals who hold similar jobs in competing organizations.
- Evaluation of external recruitment sources (agencies)
- Logistics and timing of a recruitment e.g. graduation from nursing school.



The Recruitment Process

3. Review past recruitment efforts (HRIS) (How to fill them?):

TABLE 8.2

Human
Resources
Information
System
Recruitment
Data

HRIS Data

Uses in Recruitment

Skills and knowledge inventory

Identifies potential internal job candidates

Previous applicants

Identifies potential external job candidates

Recruitment source information

Helps in the analysis of cost effectiveness of recruitment sources

- Yield ratios
- Cost
- Cost per applicant
- Cost per hire

Employee performance and retention information

Provides information on the success of recruitment sources used in the past



The Recruitment Process

4. Assess the effectiveness & efficiency of the recruitment process (How to fill them?):

TABLE 8.3

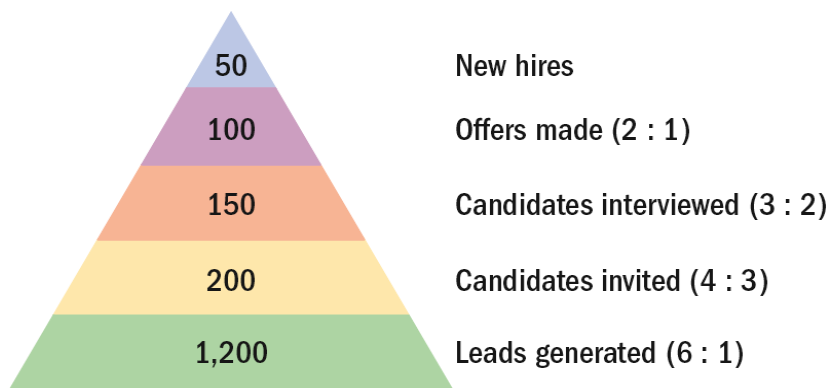
Measures of
Recruitment
Effectiveness
and Efficiency

<i>Type of Cost</i>	<i>Expenses</i>
Cost per hire	<ul style="list-style-type: none">• Advertising, agency fees, employee referral bonuses, recruitment fairs and travel, and sign-on bonuses• Staff time: salary; benefits; and overhead costs for employees to review applications, set up interviews, conduct interviews, check references, and make and confirm an offer• Processing costs: opening a new file, medical examination, drug screening, and credential checking• Travel and lodging for applicants, relocation costs• Orientation and training

The Recruitment Process

4. Assess the effectiveness & efficiency of the recruitment process

Application rate



- Ratio-referral factor: number of candidates to number of openings
- Applicants per posting
- Qualified applicants per posting
- Protected class applicants per posting
- Number of internal candidates, number of qualified internal candidates
- Number of external candidates, number of qualified external candidates



Recruitment Sources

➤ Internal recruitment

- which usually entails promotion or transfer from within the organization

➤ External recruitment

- identifying applicants from outside of the organization



Recruitment Sources – Internal

TABLE 8.4

Advantages
and
Disadvantages
of Internal
and External
Recruitment

Advantages

Recruiting Internal Candidates

- May improve employee morale and encourage valued employees to stay with the organization
- Permits greater assessment of applicant abilities; candidate is a known entity
- May be faster, and may involve lower cost for certain jobs
- Good motivator for employee performance
- Applicants have a good understanding of the organization
- May reinforce employees' sense of job security

Disadvantages

- Possible morale problems among those not selected
- May lead to inbreeding
- May lead to conflict among internal job applicants
- May require strong training and management development activities
- May manifest the Peter Principle
- May cause ripple effect in vacancies, which need to be filled



Recruitment Sources – External

Advantages

Recruiting External Candidates

- Brings new ideas into the organization
- May be less expensive than training internal candidates
- External candidates come without dysfunctional relationships with others and without being involved in organizational politics
- May bring new ideas to the organization

Disadvantages

- May identify candidate who has technical skills but does not fit the culture of the organization
- May cause morale problems for internal candidates who were not selected
- May require longer adjustment and socialization
- Uncertainty about candidate skills and abilities, and difficulty obtaining reliable information about applicant



Finding Candidates



Finding Internal Candidates:

1. Job posting (bulletin board or intranet)
2. Rehiring former employees
3. Succession planning



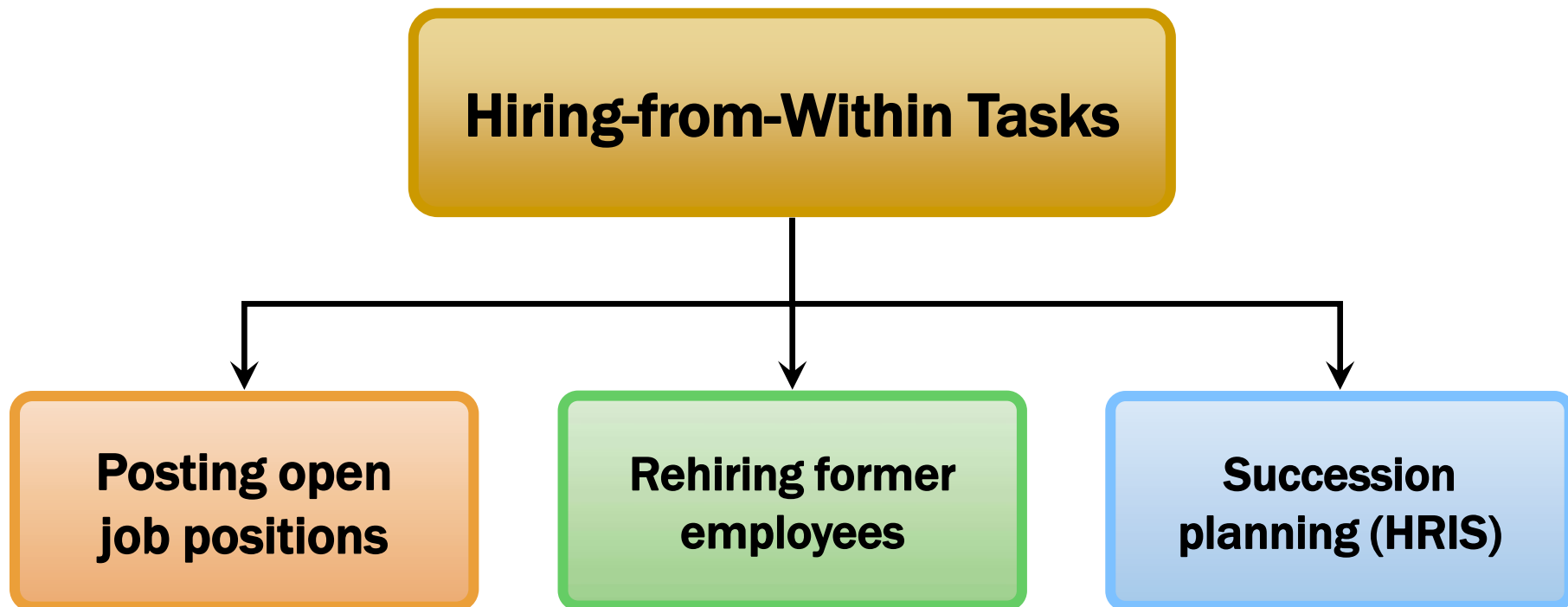
Finding External Candidates:

1. Advertising
2. Internet (e-recruitment)
3. Employment agencies
4. Employee referrals
5. Walk-ins





Finding Internal Candidates





Finding Internal Candidates (1/2)

➤ *Job posting*

- Publicizing an open job to employees (often by literally posting it on bulletin boards) and listing its attributes.

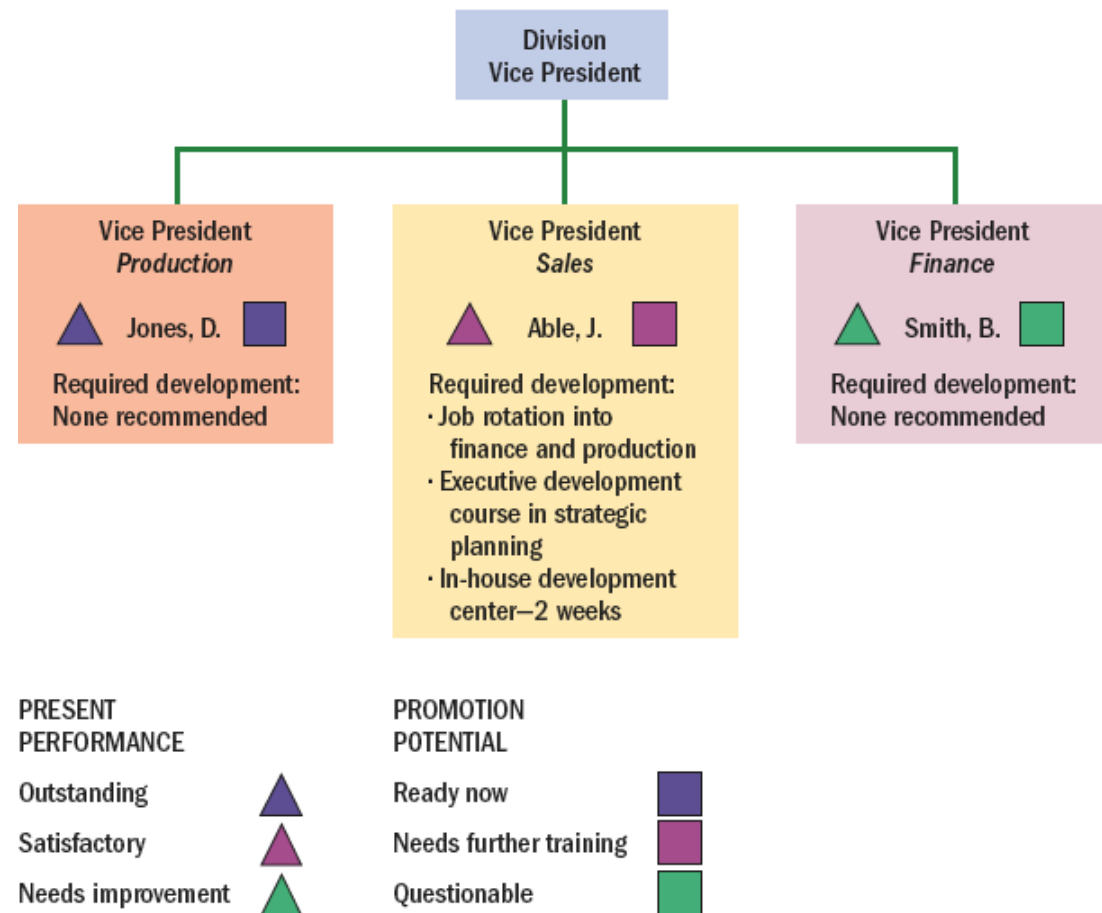
➤ *Rehiring former employees*

- Advantages:
 - They are known quantities.
 - They know the firm and its culture.
- Disadvantages:
 - They may have less-than positive attitudes.
 - Rehiring may sent the wrong message to current employees about how to get ahead.

Finding Internal Candidates (2/2)

➤ *Succession planning*

- The process of ensuring a suitable supply of successors for current and future senior or key jobs





Finding External Candidates

Locating Outside Candidates

- 1 → Advertising
- 2 → Recruiting via the Internet
- 3 → Employment Agencies
- 4 → Outsourcing
- 5 → Executive Recruiters
- 6 → College Recruiting
- 7 → Referrals
- 8 → Walk-ins



Finding External Candidates (1/5)

➤ *1. Advertising*

- The Media: selection of the best medium depends on the positions for which the firm is recruiting.

- Newspapers (local and specific labor markets)
- Trade and professional journals
- Marketing programs

➤ *Constructing an effective ad*

- Wording related to job interest factors should evoke the applicant's attention, interest, desire, and action (AIDA) and create a positive impression of the firm.



Group Workshop

Evaluate and criticize a help wanted ad.

Home Assignment

Develop a help wanted ad.





Content of the Recruiting Message

- An important objective of recruitment is to maximize the possibility that the right candidate will accept the organization's job offer. What are the appropriate messages to include in recruitment?
- Four types of information should be communicated to applicants:
 1. Applicant qualifications
 2. Job basics
 3. Application process
 4. Organization and department basics



Content of the Recruiting Message

1. **Organization and department basics:** name and type of organization, department, and other information about the work environment (Attention)
2. **Job basics:** title, responsibilities, compensation, benefits, location, and other pertinent working conditions (e.g., night work, travel, promotion potential) (Interest)
3. **Applicant qualifications:** education, experience, credentials, and any other preferences (Desire)
4. **Application process:** deadline, resume, cover letter, transcripts, references, and contact person and address for the application packet (Action)



Finding External Candidates (2/5)

➤ *2. Recruiting via the Internet*

	Newspaper Ad	Internet Ad
Space	Tiny and brief	Whole page
Life span	7-10 days	≥ 30 days
Cost	More cost	Less cost
Response	Less timely (one week)	More timely (same day)
Prescreening	Later - on	Online

Finding External Candidates (3/5)

- *3. Employment Agencies:*
 - A. Public agencies operated by local government
 - B. Agencies associated with nonprofit organizations
 - C. Privately owned agencies (they charge fees for each applicant they place, whether from the applicant or from the employer)
- *4. Outsourcing:*
 - A. Security
 - B. Catering
 - C. Housekeeping



Finding External Candidates (4/5)

- *5. Executive recruiters (headhunters)*
 - Special employment agencies retained by employers to seek out top-management talent for their clients.

- *6. College recruiting*
 - Recruiting goals
 - To determine if the candidate is worthy of further consideration
 - To attract good candidates



Finding External Candidates (5/5)

➤ 7. *Employee referrals*

- Applicants who are referred to the organization by current employees

➤ 8. *Walk-ins*

- Direct applicants who seek employment with or without encouragement from other sources.
- Courteous treatment of any applicant is a good business practice.



Evaluating the Recruitment Function

- Common measures of the success of a recruitment function include the following:
 - Quantity of applicants.
 - Quality of applicants.
 - Overall recruitment cost and cost per applicant.
 - Diversity of applicants.
 - Recruitment time or time-to-fill.